

Federal Health Policy Priorities for 2009-10

Overarching Principle

CalPERS supports national health care reforms that guarantee all Americans affordable high quality health care services and which enable CalPERS members and their families to receive high quality health care benefits that are affordable and sustainable for members, their families and their employers.

Priorities

Reforms should include innovative proposals to constrain costs, increase value and improve quality and efficiency in the health care system.

- Support nationwide adoption and utilization of Health Information Technology (HIT) as provided for in *The American Recovery and Reinvestment Act of 2009* in order to improve the quality of care, prevent medical errors and eliminate duplication of services while accumulating data that is essential to both health care purchasers and providers.
- Support initiatives by the Department of Health and Human Services and others to fully utilize comparative effectiveness research to develop important information regarding the clinical effectiveness, risks and benefits of pharmaceuticals, medical devices and technologies and procedures in order to empower better decision-making by patients, health care providers and purchasers.
- Support initiatives that promote transparency in the financing and operations of health care plans and other service providers in order to ensure accountability and increase awareness of health care costs and quality.
- Support efforts to implement an evidence-based health care delivery system informed by consensus-based measures that will enable CalPERS and other health care purchasers to pay for quality health care as opposed to individual transactions and which eliminates incentives to provide unnecessary, inappropriate, and harmful care.
- Support efforts that refocus the health care system on prevention and wellness as opposed to illness and treatments by implementing effective programs for chronic care management and by promoting wellness and healthy lifestyles, including investing in public health measures proven to reduce cost drivers (i.e. obesity, sedentary lifestyles, and smoking) and which guarantee access to proven preventive treatments.

National health reform initiatives should include provisions to control the high cost of prescription drugs.

- Support improved patient safety and reduced pharmaceutical costs by requiring comprehensive utilization of e-prescribing systems.
- Support policies that accelerate the establishment of a safe and scientifically-sound pathway to FDA approval and broad-based utilization of generic biopharmaceuticals – frequently referred to as biogenerics – in order to enable a competitive marketplace while also recognizing the need for a reasonable period of exclusivity.

- Oppose policies that unnecessarily extend effective patent life of brand prescription drugs and support initiatives that expand the appropriate use of cost effective, quality generic drugs.
- Oppose anti-competitive settlements between brand and generic drug companies – so-called “pay-not-to-play” settlements – and support federal legislation that explicitly prohibits anti-consumer settlement arrangements without undermining those that do accelerate generic drug competition to the marketplace.
- Support workable policies to limit misleading pharmaceutical marketing practices, including direct-to-consumer advertising, that lead to excessive and expensive prescription drug utilization.
- Support legislation that would require drug companies and medical device manufacturers to disclose payments and/or other incentives that are provided to physicians.
- Support changes to the Medicare Modernization Act that will allow CMS to enter into direct negotiations with pharmaceutical manufacturers to obtain discounts on prescription drugs in a manner that does not undermine discounts provided to CalPERS.
- Support the continuation of Medicare Part D funding that recognizes an employer’s commitment to providing retiree prescription drug coverage.

Comprehensive national health reform must make health care more affordable for all Americans.

- Support policies that encourage the continuation of traditional employer-based health care coverage while also expanding affordable private and/or public group coverage to ensure coverage for all citizens.
- Oppose policies that simply shift costs to patients rather than truly addressing health care cost growth.
- Oppose cuts in publicly-funded health care programs that simply shift costs and risk to State and local governments and ultimately to private purchasers such as CalPERS. As program efficiencies are identified, reinvest funds to strengthen and improve the Medicaid program.
- Support policies to stabilize and make health insurance premiums more predictable by encouraging prevention and management of catastrophic illnesses as well as subsidizing all or part of their costs.
- Support reforms that protect American families from bankruptcy due to catastrophic illness.
- Support efforts to make long-term care coverage more affordable, accessible and reliable, such as tax subsidy incentives with consumer protections for private long-term care and direct tax credits for caregivers.

Member Education

To support meaningful reforms that are in the best interest of CalPERS members, CalPERS is committed to educating members and their employers regarding the national health care debate and the impact of current and proposed Federal policies on quality and cost of their health care benefits.